

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI  
NORTHERN DIVISION**

**CADLEROCK IV, LLC**

**PLAINTIFF**

**VS.**

**CIVIL ACTION NO. 3:18-cv-196-CWR-FKB**

**R. DON WILLIAMS**

**DEFENDANT**

**COMPLAINT**

CadleRock IV, LLC (“CadleRock”) files this Complaint against R. Don Williams (“Defendant”), seeking judgment for sums due under the terms of a personal guaranty, as follows:

**I. Parties, Jurisdiction, and Venue**

1. CadleRock is a limited liability company (“LLC”) having its principal place of business in Newton Falls, Ohio. The members of the LLC and their respective states of citizenship are identified as follows:

(a) Daniel Cadle, an adult resident citizen of the State of Ohio;

(b) NG Solutions LLC, a limited liability company having its principal place of business in Newton Falls, Ohio, and being comprised of the employees of The Cadle Company, an Ohio corporation having its principal place of business in Newton Falls, Ohio, and all of whose employees are citizens of Ohio;

(c) BBR Investments, LLC, a limited liability company having its principal place of business in Newton Falls, Ohio, whose members are listed as follows:

- (1) William E. Shaulis, an adult resident citizen of Ohio;
- (2) Richard G. Persinger, an adult resident citizen of Ohio; and
- (3) Robert Pavlik, an adult resident citizen of Ohio;

(d) Cadles of West Virginia LLC, a limited liability company having its principal place of business in Newton Falls, Ohio, whose sole member is the Cadle Family Grandchildren's Trust, whose beneficiaries are the grandchildren of Daniel and Ruth Cadle, all of whom are resident citizens of Ohio. Robert Pavlik, an adult resident citizen of Ohio, is the Trustee of the Cadle Family Grandchildren's Trust; and

(e) Meadow River Investments LLC, a limited liability company having its principal place of business in Newton Falls, Ohio, whose members consist of Amy Hocevar; Daniel C. Cadle, Jr.; the adult siblings of Daniel and Ruth Cadle; and the children of Emil Cadle, all of whom are citizens of the following states: West Virginia, Ohio, Illinois, Virginia, Michigan, Kentucky and Florida.

2. Defendant is an adult resident citizen of Hinds County, residing at 4060 Redwing Avenue, Jackson, MS 39216, where he may be served with process of this Court pursuant to FRCP 4(e).

3. Diversity of jurisdiction is complete, in that the Defendant is a citizen of Mississippi, and all individuals comprising the membership of CadleRock and its constituent LLC's are citizens of states other than Mississippi. This Court therefore has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 in that it involves a matter in controversy in excess of \$75,000.00 exclusive of interest and costs, between citizens of different states.

4. Venue is proper in this district and division pursuant to 28 U.S.C. § 1391(b)(1), in that the Defendant resides in Jackson, Mississippi, which is located in this district and division.

## II. Facts

5. On January 24, 2008, Quadrangle Properties, Inc. (“Quadrangle”), which is owned and operated by Defendant, executed a Promissory Note (“the Note”) in favor of Zions Bank in the amount of \$850,000.00, bearing interest at a variable rate under terms set out in the Note, and a maturity date of February 1, 2028. A copy of the Note is attached as Exhibit “1.”

6. In conjunction with the Note, Defendant, for and on behalf of Quadrangle, executed a Deed of Trust dated January 24, 2008, in favor of Zions Bank, granting Zions a first lien on the real estate and improvements located at 5846 Ridgewood Rd., Jackson, MS 39211, consisting of a four-building office complex, which is Quadrangle’s sole asset (hereafter sometimes referred to as “the Subject Property”). The Subject Property is described more particularly in the Deed of Trust, which is filed of record in the land records office of the Hinds County Chancery Clerk at Book 6830, Page 993. A copy of the Deed of Trust is attached as Exhibit “2.”

7. Defendant also executed an Assignment of Rents dated January 24, 2008, in favor of Zions Bank, for and on behalf of Quadrangle, granting Zions a first lien on rents, revenues, income, profits, proceeds, and other payments and benefits derived from leases of the real estate and improvements located at 5846 Ridgewood Rd., Jackson, MS 39211, and described more particularly in the Assignment of Rents. The Assignment of Rents is filed of record in the land records office of the Hinds County Chancery Clerk at Book 6827, Page 834. A copy of the Assignment of Rents is attached as Exhibit “3.”

8. Defendant also executed a Business Loan Agreement in favor of Zions Bank, for and on behalf of Quadrangle, dated January 24, 2008, in conjunction with the loan. The Business

Loan Agreement sets out additional terms, conditions, and covenants of the loan agreement. A copy of the Business Loan Agreement is attached as Exhibit “4.”

9. To induce Zions Bank to extend financing to Quadrangle, Defendant also executed a Commercial Guaranty whereby he personally and unconditionally agreed to pay all amounts due and owing under the terms of the Note to Zions Bank and/or its assignees. By its terms, the Commercial Guaranty is a guaranty of payment and not of performance. A copy of the Commercial Guaranty is attached as Exhibit “5.”

10. Exhibits “1” – “4” are referred to herein as “the Loan Documents.” Exhibit “5” is referred to as “the Guaranty.”

11. Subsequent to Quadrangle’s execution of the Note and related loan documents, it defaulted under the terms of the Loan Documents by failing to pay installments as and when due.

12. Despite demand, and despite foreclosure litigation initiated in the Chancery Court of Hinds County, Mississippi by Zions Bank, Quadrangle has failed and refused to make payments through the present time. Quadrangle filed Chapter 11 bankruptcy in the United States Bankruptcy Court for the Southern District of Mississippi on April 18, 2017.

13. As of the date it filed bankruptcy, Quadrangle owed no less than \$897,461.91 in principal, interest, penalties, and late fees on the loan. Interest ceased accruing on the loan as to Quadrangle as of that date, but did not cease accruing as to Defendant.

14. Zions Bank subsequently assigned the debt owed by Quadrangle, along with all of its lien rights, to CadleRock, which is the lawful assignee and the real party in interest with respect to enforcement of the covenants and conditions contained in the promissory note, deed of trust, and other loan documents originally executed by Quadrangle in favor of Zions Bank.

15. CadleRock is also the lawful assignee of the Guaranty executed by the Defendant in favor of Zions Bank, and is entitled to enforce the Guaranty according to its terms and conditions, and to repayment of all principal and interest which has continued to accrue and accumulate as to the Defendant as personal guarantor.

16. After Quadrangle's bankruptcy filing, CadleRock obtained partial relief from the automatic stay imposed pursuant to 11 U.S.C. § 362, and obtained payment of \$270,438.12 from fire insurance proceeds tendered prior to the bankruptcy and held in trust. That amount was applied to the debt, leaving a balance of \$725,735.78, in principal and interest owed as of the date the check was negotiated.

17. In addition, Quadrangle has made certain adequate protection payments approximately equivalent to the amount of monthly interest accruing on the debt. As of March 20, 2018, these payments totaled \$14,236.75, leaving a balance owed of no less than \$722,427.89.

## **II. Request for Relief**

18. Defendant is liable to CadleRock for the amount of \$722,427.89, along with interest continuing to accrue at the rate of \$119.92 per diem from March 20, 2018 until paid, pursuant to the terms of the Guaranty, which was validly and lawfully assigned to CadleRock, and which it is entitled to enforce.

19. In the event the Subject Property is sold or foreclosed on, CadleRock will credit Quadrangle and the Defendant with the amount of the sale, minus costs incurred by CadleRock as a result of the sale or foreclosure process.

20. In addition to its entitlement to collect all principal and interest owed by the Defendant as the guarantor of the loan to Quadrangle, CadleRock is entitled to collect all

attorneys' fees incurred by it in connection with its legal efforts in the Quadrangle bankruptcy along with the fees incurred by it in the instant action, along with any further efforts to enforce the loan through foreclosure or other efforts with respect to the Subject Property, pursuant to the Loan Documents and the Guaranty.

WHEREFORE, PREMISES CONSIDERED, CadleRock IV, LLC hereby requests and demands judgment against Defendant in the amount of \$722,427.89, plus additional pre- and post-judgment interest at the contract rate of \$119.92 per diem, plus all attorneys' fees incurred in connection with its legal efforts in the Quadrangle bankruptcy along with the fees incurred by it in the instant action, along with any further efforts to enforce the loan through foreclosure or other efforts with respect to the Subject Property, pursuant to the Loan Documents and the Guaranty. CadleRock further requests that upon entry of a judgment in its favor that execution issue, and that it be allowed to pursue all post-judgment remedies authorized under the FRCP and applicable law. CadleRock requests all other relief appropriate in the premises.

Dated, this the 28th day of March, 2018.

Respectfully submitted,  
CADLEROCK IV, LLC

By Its Attorneys,  
JONES WALKER, LLP

By: /s/ Chad J. Hammons  
CHAD J. HAMMONS

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